

ADVANCING SMALL BUSINESS SOLAR EQUITY

APPENDIX B: COMMUNITY AND PARTNER PROFILES REPORT

LAKE STREET–WEST BROADWAY–UNIVERSITY AVENUE
MINNEAPOLIS AND SAINT PAUL, MINNESOTA



Photo by Brandon Stengel for BWBR Architects, Inc (www.bwbr.com)

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About this document

This document is an appendix of “Advancing Small Business Solar Equity: Final Technical Insights Report” (Kazinka et al. 2024), a report published by Lake Street Council and its partners as an outcome of their participation in the Solar Energy Innovation Network. The full report and other appendices can be found at www.visitlakestreet.com/business-blog/sein-report.

About the Solar Energy Innovation Network

The Solar Energy Innovation Network (SEIN) seeks to overcome barriers to solar adoption by connecting teams of stakeholders who are pioneering new ideas with the resources they need to succeed. SEIN is funded by the US Department of Energy Solar Energy Technologies Office and is led by the National Renewable Energy Laboratory.

Teams that participate in SEIN receive direct funding and analytical support from the US Department of Energy national laboratories and participate in peer-to-peer learning with other teams tackling similar challenges. These teams are developing and documenting their solutions for solar adoption with scale in mind so that others can adapt those solutions to their own contexts. Ultimately, the true impact of these teams’ efforts will be to enable a wide array of communities to adopt solar solutions that meet their needs in their contexts.

Disclaimer

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Overview

Community and partner profiles were developed through interviews with the primary constituent communities, research, and the team's prior experience in working with the communities. While the primary focus was on expanding the team's understanding of Black, Indigenous, people of color (BIPOC)- and immigrant-owned small businesses, the scope of the profiles extends to the perspective of each corridor as a whole, as understood by respective community-based organization (CBO) team members.

The Advancing Small Business Solar Equity team used a human-centered design approach to understand both community and industry perspectives on the barriers to adopting rooftop solar for BIPOC- and immigrant-owned small businesses. The emphasis was on building empathy with the future users of the program. For example, the interviews with small business owners focused on motivations, frustrations, and interactions with the community. The interviews also addressed their everyday concerns and operating parameters, the goals they have for the business, and how they make decisions in light of opportunities, challenges, and risks. "Section 2.1: Human-Centered Design Process" in the main body of this report and "Appendix A: Interview Guide" both detail information on the human-centered design process, groups interviewed, outreach strategies, interview questions, and the team debriefing process.

An overarching takeaway from the human-centered design approach was the reinforcement of CBOs as key partners to be served by the program as it develops. The insights gained from the conversations are evident in the emergence of the proposed community-based Solar Hub Networks model, which prioritizes relationships and solutions to address the unique challenges in each corridor.

A second takeaway was a number of themes formalized in the project principles, as introduced in "Section 1.3: Principles" in the main body of this report. The principles outline the fundamental thinking that must underpin program development. The principles are fostering partnership, cultivating trust, exercising transparency, building wealth, understanding risk, and practicing respectful language.

State of Minnesota small business definition

The State of Minnesota statutes, underneath [MN Statute 645.445](#), defines small businesses as an entity organized for profit, which:

- “(1) is not an affiliate or subsidiary of a business dominant in its field of operation; and
- (2) has 20 or fewer full-time employees; or
- (3) in the preceding fiscal year has not had more than the equivalent of \$1,000,000 in annual gross revenues; or
- (4) if the business is a technical or professional service, shall not have had more than the equivalent of \$2,500,000 in annual gross revenues in the preceding fiscal year.”

This definition is the basis for regulations and laws applied by the state. For the purposes of the Advancing Small Business Solar Equity project, the term “small business” is applied more broadly and with greater attention to local entrepreneurial ownership rather than staff numbers and receipts.

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Limitations

A major limitation of the human-centered design approach is its scope and capacity. One-on-one interviews are time-consuming and personnel-intensive. The ongoing COVID-19 pandemic also limited the scope of interviews, which were largely conducted via Zoom. Each corridor has over a hundred businesses, and capacity was limited to three to five in each area. In addition, while the corridors are universally described as BIPOC, each corridor is unique in population demographics, historical context, current circumstance, and character, thus defying a homogeneous label. The team's inclusion of a CBO representing each corridor as a core member helped to overcome this limitation; in a true sense, the community was always in the room throughout the process.

Community profiles

The three corridors participating in the Advancing Small Business Solar Equity project transect the urban fabric of Minneapolis and Saint Paul and serve as anchors for the cities' BIPOC- and immigrant-owned business communities, reflecting the racial and economic diversity of the surrounding residential area. Lake Street and West Broadway Avenue in Minneapolis and University Avenue in Saint Paul in Minnesota intersect through multiple qualifying Opportunity Zone census tracts, as designated by the US Department of Housing and Urban Development.

Although historically underserved, these are beloved communities filled with creative, hardworking people and thriving business districts. Established CBOs have long-standing relationships and a foundation of trust. While they have much in common, they are distinct in character and population.

Lake Street, Minneapolis

Lake Street is a vital community and cultural corridor in the City of Minneapolis. Stretching for over six miles, the street connects to the community of St. Louis Park by the Chain of Lakes on its west end and to Saint Paul across the Mississippi River on the east side.

Currently home to tens of thousands of residents and over 2,000 businesses, Lake Street grew to prominence in the late 19th century as a streetcar corridor that housed many European immigrants and small businesses. In the mid-twentieth century, policies like redlining, highway expansion, and purposeful disinvestment from the core city led to widespread vacancies, teardowns, and prioritization of car-centric design over community needs.

By the turn of the century, however, Lake Street was reborn as new immigrant businesses moved in and created a thriving street that catered to a new community. Lake Street quickly grew into a hub for immigrant and BIPOC entrepreneurs, cultural experiences, and public art.

In 2020, Lake Street was the site of significant civil unrest following the murder of George Floyd, resulting in damage to hundreds of businesses and the destruction of dozens of commercial buildings.

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Despite this challenge, small businesses and community members have come together to rebuild and recover, charting a path forward centered on equity, community ownership, and resiliency.

Small business types: Retail, food service, health and beauty, grocery, and East African businesses are the primary BIPOC- and immigrant-owned businesses represented in the corridor. Additionally, there is a smaller representation of African American-, Native American-, and Asian-owned businesses.

Community-based lead: Lake Street Council.

Community-based partners: Neighborhood Development Center, Latino Economic Development Center, African Economic Development Solutions, Metropolitan Consortium of Community Developers, Seward Redesign, Longfellow Business Association, Midtown Business Association, Lyn-Lake Business Association, and Uptown Association.

Geography: The full length of Lake Street in Minneapolis, from France Avenue on the west end to the Mississippi River on the east. The corridor includes the area within four blocks (½ mile) to the north and south of Lake Street, with a northern border of 26th Street and a southern border of 34th Street.

West Broadway, Minneapolis

West Broadway is a major small business corridor in North Minneapolis and is an important and diverse community. West Broadway is home to a significant number of African American-owned small businesses, such as Breaking Bread and Sammy's Eatery. Several major offices are located on or near West Broadway, including the Minneapolis School District headquarters, and the historic Capri Theater serves as an important landmark. The area features several important faith communities, including Shiloh Temple Church and Sanctuary Church. The area includes the Jordan Neighborhood, the Camden Neighborhood, and the Harrison Neighborhood. Several businesses experienced damage during the civil unrest following the murder of George Floyd.

In the coming years, the Blue Line Light Rail Transit system is expected to be extended through North Minneapolis, on or near West Broadway, and a significant number of apartment buildings and commercial buildings are being developed in anticipation of the new transit service, raising some concerns about the potential for displacement of BIPOC-owned businesses.

Small business types: Retail, services, quick-service restaurants, barber shops, nonprofit organizations, and gas stations.

BIPOC communities: African Americans have the most prominent business presence in the corridor, followed by Asian-owned businesses.

Community-based lead: Northside Economic Opportunities Network.

Community-based partners: Northside Economic Opportunities Network, Tri-Construction, and West Broadway Coalition.

Geography: For the purposes of this project, we considered a broad definition of the boundaries of North Minneapolis that included not just West Broadway but the whole area bounded by Memorial Parkway & Webber Parkway on the North, Memorial Parkway & Theodore Wirth Parkway on the west, Chestnut Avenue & Bassett Creek on the south, and Interstate 94 on the east.

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Midway-University, Saint Paul

University Avenue is a thriving small business, cultural, and transportation corridor that runs through Saint Paul and Minneapolis. This project focuses on the section located in Saint Paul in the Midway and Frogtown neighborhoods. Historically, the location of nearby rail lines led Frogtown and Midway to be attractive locations for homes and industrial businesses in the second half of the nineteenth century.

The turn-of-the-century development of the streetcar line on University Avenue, connecting Minneapolis to the newly-built Minnesota State Capitol Building, secured University Avenue's prominence as a home to businesses, industry, and those seeking affordable workforce housing. However, the development of Interstate 94, just a few blocks south of and parallel to University Avenue, led to major disruptions and decades of disinvestment in the area in the second half of the twentieth century. During this time, many immigrants, particularly Hmong refugees, resettled the area and opened businesses in vacant spaces along the street, revitalizing the area.

From 2010 to 2014, the corridor experienced significant hardship during the construction of the Metro Transit Green Line Light Rail, which had major impacts on small businesses. In the years since, the corridor has focused on uplifting cultural communities, including the Little Africa and Little Mekong districts. While the district suffered significant challenges from damages to businesses in the civil unrest following the murder of George Floyd, the area has also seen major development, such as the Allianz Field soccer stadium and dozens of transit-oriented, mixed-use housing developments near light rail stations.

Small business types: Retail, food service, health and beauty, grocery, and light industrial.

BIPOC communities: Asian immigrants (primarily Hmong and Vietnamese), African immigrants (primarily Ethiopian), and African Americans are the primary BIPOC-owned businesses represented in the corridor.

Community-based lead: Neighborhood Development Center.

Community-based partners: Cultural Wellness Center, Latino Economic Development Center, African Economic Development Solutions, Metropolitan Consortium of Community Developers, Lake Street Council, Seward Redesign, Aurora St. Anthony Neighborhood Development Corporation, Midway Chamber of Commerce, Ujamaa Place, Comunidades Latinas Unidas En Servicio (CLUES), Rondo Community Land Trust, East Side Area Business Association, East Side Neighborhood Development Company, Frogtown Neighborhood Association, Project For Pride and Living, Greater MN Housing Fund, Hope Community, Model Cities of Saint Paul, and Dayton's Bluff Neighborhood Housing Services.

Geography: For the purposes of this research project, we considered the neighborhoods surrounding University Avenue, allowing the corridor to stay central to the project while also incorporating the Midway, Frogtown, and Rondo neighborhoods that share University Avenue as a border. The boundaries for the research project were set as Highway 280 and the Mississippi River to the west, Pierce Butler Road and the adjacent railroad tracks to the north, Rice Street to the east, and Selby Avenue to the south.

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Small business profile and perspective

Overview

As noted above, the BIPOC- and immigrant-owned small businesses in the program corridors include a wide variety of retail shops, services, cafes, restaurants, and convenience stores. They vary greatly in type, sales, age, and size of staff. Small businesses play a vital role in their communities by providing the goods and services wanted and needed by area residents.

The team interviewed six businesses, five without solar and one with solar. Additional insight on small business was gained from the five solar installers interviewed for the project who are themselves running small businesses, as well as from staff at the team's core partner CBOs. Along with the corridor overviews above, the impressions gathered below were essential in developing an understanding of small business lived experience. Taken together, the information will inform program priorities and model development.

Key learning

While it is difficult to generalize their experience, small business owners share an entrepreneurial spirit and a pragmatic approach to decision-making. This summary focuses on the latter while bearing in mind the former. Some common characteristics emerged during the project team interview debriefs.

Overarching insights were summarized as follows:

Common characteristics of small businesses (owners):

- Have an entrepreneurial spirit
- Wear multiple hats
- Are part of the immigrant experience
- Are family-owned and are interested in generational transfer
- Have a lot on their plate—don't waste their time
- Are willing to think about long-term planning
- Can be risk-averse
- Are interested in saving money
- Are interested in creating a positive community impact
- Are rooted in place and understand the importance of place
- Are not solely driven by monetary profit
- Take into account the lifecycle stage of their business when making decisions
- See other small business owners as peers, not competition

Small businesses rely on the following:

- Information from trusted sources, such as community champions and local organizations
- Trusted vendors and contractors

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- Peer-to-peer learning
- Navigators and supporters to understand opportunities

Small businesses need the following:

- Knowledge and understanding of the benefits of solar
- An understanding of risk, opportunity costs, and the uncertainty of tomorrow
- Clarity on utility billing and cost impacts of electricity
- Simplified programs and processes
- Muslim-friendly financing options

In addition to these high-level summary impressions, several key themes emerged that warrant discussion, including community identity, networks and relationships, partnership and trust, finance and risk, resilience, and business lifecycle.

Community identity

Several interviews with small businesses brought attention to the importance of their business's physical location. Their presence hints at a reciprocal arrangement on these corridors, where the businesses themselves both contribute to and are informed by the community's identity. Many expressed a desire to be important forces in the community beyond the customers that they serve.

Businesses are cultural touchstones and community builders. For example, Golden Thyme was a leader in a campaign with the City of Saint Paul to make Selby Avenue, another important and historically under-invested corridor just off University Avenue, a "destination zone." In pursuit of this goal, they host the annual Saint Paul Jazz Festival as a way to bring together the community and celebrate its diversity. Soo Mala's central location between several colleges and universities is described by its owner as a "crossing of the minds" and supports its mission to be a place for the community, especially women, to come together and share ideas. Can Can Wonderland, in partnership with the Creative Enterprise Zone, another local business association, is working with other creative businesses on their block to develop an area for and informed by artists. Placing the desire to create joy and experience for customers first, like many other small business owners, they channel their personal philosophy and vision for the community through their work. Ingebretsen's noted that Lake Street always had been and always would be an integral part of their identity, and the business had never had any intentions of moving elsewhere, even in the wake of the civil unrest.

Outside of their immediate community, interviewees had conflicting opinions regarding government and Xcel Energy, which is their utility. One business owner commented on the city government, expressing that regulation, taxes, and a general lack of support for business owners were making it increasingly burdensome to operate their business. One business thought that Xcel Energy had high rates. More businesses had indifferent or positive views on the utility. Another, by contrast, noted that although Xcel Energy's utility programs were complicated, they appreciated the rebates and incentives they had

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received previously for completing energy efficiency upgrades and planned to use them again in the future.

Relationships, networks, and trust

Relationships are the currency of small business. Nearly every aspect of business is defined and driven by relationships, including those with customers, the community, other businesses, CBOs, the city government, and utility providers. The relationship with the customer is primary. Developing a rapport with the customer and generating repeat business is a hallmark of a successful venture.

Business owners are also individuals within their own communities. The importance and value of trust underscores every relationship. One interviewee noted that trust stems from the people that they know well, from a connection. Trust does not necessarily come from a shared ethnicity or religious affiliation but from the relationships that arise at community centers, such as mosques. Ideas and connections are vetted through word of mouth from friends and business partners; this is reciprocal, as they are willing to share connections with friends and colleagues, forming an informal network.

A key observation made by one owner was that they see other small businesses as their peers rather than as competition. National chains are the competition because they have access to big capital, which small businesses do not. Many of the interviewees suggested peer-to-peer networking and information sessions as an effective way to learn, which aligns with this sentiment.

Many businesses value the connections they have with CBOs, such as Lake Street Council, Northside Economic Opportunity Network, and Neighborhood Development Center, in addition to chambers of commerce or other comparable associations. It should be noted that all these interviewees have existing relationships with the project team's CBOs.

The values businesses hold in their relationships generally also guide the evaluation of contractors they consider hiring. A sense of trust or word of mouth from trusted sources seemed most important to many. While the price matters, it was noted by one interviewee that their gut feeling of trust outweighs pure analytics and numbers in decision-making. Another noted that they value someone who simply can get the job done right nearly as much as the cost of the project (particularly for fixed-price contracts). Finally, keeping the job local is important for most, which aligns with the sense of shared commitment to the community. One owner noted that they opt to use different local contractors from across the metro for their different business locations to spread the opportunity around rather than giving it to one company.

Finance & risk

While every business interviewed for this project has aspirations and goals for their community, making ends meet is their primary concern. It can't be understated that every penny counts for small businesses. One owner made the bottom line very clear: "Show me the money. Actually, show me the

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money.” This includes the profitability, potential benefits, maintenance and upkeep, and other costs associated with a decision. This sentiment was reiterated in many interviews.

Financial decisions for one business are made on a case-by-case basis and involve many different factors. They include the health or anticipated life span of a piece of equipment or the status of other upgrades. However, clear information from a trusted source predicates every decision for all businesses. More than just the content of the information, the source of information matters, too.

Stages of growth, decline, or transition also have critical impacts on business decisions. Small businesses have their own lifecycle changes, some of which are anticipated and some of which are surprises. When long-term planning is underway, it can affect several day-to-day decisions. From start-up to ownership transitions, decisions are impacted by time and circumstance.

Risks associated with investment may cause some businesses to hesitate. For example, a project with significant upfront costs and payback in cost savings over several years presents challenges due to future unknowns. One owner described a divide between the appetite for risk between their parents, first-generation immigrants who took a very conservative approach to business decisions, and their own perspective as a second-generation immigrant who is interested in opportunities but still generally risk-averse. It is worth noting that the businesses interviewed for this project are fairly well-established with a track record of success. Several, but not all, own the building where the businesses operate.

A key component of any business investment is paying for it. Financing options are a consideration in decision-making, as is any cash outlay. Many business owners in the corridors identify as Muslim and may need specific Halal loans that do not include interest-based payments. This was not noted as a barrier due to existing options in the marketplace. It is worth noting that one owner avoids loans and uses cash instead. If necessary, many businesses will draw on funds from family and friends.

Financial resilience

Major events, such as the civil unrest following the murder of George Floyd and the COVID-19 pandemic, affected many businesses. All the businesses interviewed existed prior to these major disturbances and survived them, perhaps indicating roots in the community or diverse streams of income or financial stability. COVID-19 affected many of the businesses due to shutdowns, although others came out stronger; for one business, 2022 was the busiest year to date, and they have plans to expand to another location.

Unlike other areas of the country, Minnesota’s electrical grid operates with little disruption. This issue was not a primary concern voiced by interviewees.

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References

MINN. STAT. §645.445 (2023), <https://www.revisor.mn.gov/statutes/cite/645.445>.